GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:3357
ANSWERED ON:11.12.2001
BID FOR IPCL
A. VENKATESH NAIK;ASHOK NAMDEORAO MOHOL;RAMSHETH THAKUR;RAVINDRA KUMAR PANDEY;SURESH RAMRAO JADHAV (PATIL)

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Group of Ministers has recommended fresh bidding for the Indian Petrochemicals Corporation Limited (IPCL);

(b) if so, the details thereof;

(c) whether the Government have decided to off load the equity in IPCL;

(d) if so, the details thereof and the manner in which it is going to be done;

(e) whether the modalities and pricing of the transfer have also been worked out;

(f) if so, the details thereof;

(g) the percentage of equity is likely to be off loaded in IPCL in the first round of disinvestment;

(h) the steps being taken by the Government in this direction; and

(i) the time by which the second round of disinvestment is likely to take place?

Answer

MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY)

(a) to (d) The process of disinvestment in Central PSUs is carried forwardthrough Inter Ministerial consultations and after taking into account all relevant inputs, the Government has decided to sell 26% of the equity capital in IPCL as a whole to a Strategic Investor along with transfer of management control and a commitment of divesting at least a further 25% equity. A road map for further sale of equity would also be drawn up. In pursuance of the above, advertisement inviting Expressions of Interest (EOI) from prospective bidders have been issued recently.

(e) & (f) The disinvestment of Government stake in the equity of the IPCL will be done by following a transparent procedure, undertaking valuation of the company through standard valuation methodologies and suitable safeguards built into the agreements.

(g) & (h) As stated in paragraph (a) to (d) above, the Government has decided to sell 26% of the equity capital in IPCL as a whole to a Strategic Investor along with transfer of management control in the first round of disinvestment.. In pursuance of the above, advertisement inviting Expressions of Interest from prospective bidders have been issued recently.

(i) The time frame for the second round of disinvestment has not yet been decided and a road map for the same will be decided in future.